GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4525
ANSWERED ON:17.04.2001
SETTING UP OF IFFCO FERTILIZER FACTORY AT NELLORE
KINJARAPU YERRANNAIDU

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is any proposal pending for approval with the Union Government to set up IFFCO Fertilizer Factory in Nellore District of Andhra Pradesh; and

(b) if so, the present status thereof and the time by which it is likely to be approved?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S.B. MOOKHERJEE)

(a) & (b): A proposal of Indian Farmers Fertilizer Cooperative Limited, (IFFCO), to set up a new ammonia-urea plant in Nellore District of Andhra Pradesh with an annual urea capacity of 7.68 lakh metric tonnes at an estimated capital cost of Rs.1736 crore was approved `in principle` by the Government along with three other proposed urea projects in the public/cooperative sector subject to investment appraisal by the Public Investment Board (PIB). Investment appraisal ofthese projects was undertaken by the PIB in its meeting held on 9.7.99. Based on PIB'sinvestment appraisal, the Government in June 2000, considered and deferred the proposal for taking a final investment decision on these projects. The matter was subsequently reviewed and it was decided that this is not opportune time to take a final decision on the proposed Nellore project of IFFCO and the other urea projects as the decision would depend on the long term fertilizer pricing policy, impact on the domestic fertilizer industry on opening up of the sector under WTO commitments, updated demand-supply gap projections of fertilizers, feedstock policy for fertilizer production and viability of the proposed projects in the changed circumstances. .